

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 87-223-E - ORDER NO. 98-627

AUGUST 13, 1998

IN RE: Least-Cost Planning Procedures for Electric	)	ORDER ✓ MR
Utilities Under the Jurisdiction of the Public	)	DENYING
Service Commission.	)	PETITION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Rehearing and Reconsideration of Order No. 98-502 submitted by Nucor Steel (Nucor). Both Carolina Power & Light Company (CP&L) and Duke Power, a Division of Duke Energy Corporation (Duke) filed responses to the Petition. Duke's response included a Motion to Dismiss Nucor's Petition.

A procedural history of this matter is relevant. On February 3, 1998, Duke filed a Petition with the Commission requesting that the Integrated Resource Planning (IRP) filing requirements be modified by issuing a new order replacing Order No. 91-1002 and Appendix A to that Order. Copies of the Petition were served on parties to this Docket. Subsequently, Nucor Steel, the Consumer Advocate, the Sierra Club, Electric Lite, the South Carolina Energy Office, the South Carolina Energy Users Committee, CP&L, and South Carolina Electric and Gas Company filed comments in response to Duke's Petition. The Consumer Advocate requested that the Commission delay a decision on Duke's Petition until the Energy Office received and reviewed an analysis of the IRP

process which was being prepared by Slater Consulting and Hayet Power Systems Consulting (Slater). In its March 20, 1998 Order, the Commission concurred that the Slater Report should be reviewed before ruling on Duke's Petition.

The Slater Report was furnished to the parties by Commission Memorandum dated June 4, 1998 requesting comments, after which the parties filed their comments with the Commission. In our Order dated July 2, 1998, Order No. 98-502, we stated that we had examined the original Petition by Duke, the supporting Petitions, the Slater Report, and the comments of the parties in the Docket, and concluded that the IRP filing requirements should be modified, but with certain changes to the relief sought in the Duke Petition. We then set up information filing requirements which were consistent with South Carolina Code Ann. Section 58-37-10 (2)(Supp. 1997).

Nucor filed its Petition for Rehearing and Reconsideration of Commission Order No. 98-502 on July 27, 1998. Nucor's points were several. First, Nucor stated that the Commission should "defer to the Legislature" and leave in place the existing electric IRP procedures. Second, Nucor stated that the Commission should not substantially reduce IRP procedures without holding a formal public inquiry with a hearing. Third, Nucor alleged that the reasons given in the Order for modifying the IRP procedures do not support the changes made and are not supported by substantial evidence in the record. Lastly, Nucor proposed its own set of general IRP guidelines to replace the guidelines listed in Order No. 98-502. We hold that Nucor's Petition must be denied.

With regard to Nucor's first point regarding our "deferring to the Legislature" and leaving in place the existing IRP guidelines, we believe that South Carolina Code Ann.

Section 58-37-20 (Supp. 1997) clearly gives us the discretion to adopt procedures in this complex area. We believe that we have acted in a manner consistent with statutory requirements when we exercised our discretion to modify the IRP guidelines.

Considering Nucor's second point, i.e. that no modification of IRP procedures should be made without holding a "public inquiry" or hearing, we must respectfully disagree. There is no requirement that the Commission conduct a public hearing to consider IRP requirements. The original process, begun in 1987 was a collaborative process. The process surrounding these modifications consisted of several rounds of filings by the parties with the Commission in response to a Petition by Duke. We believe that ample opportunity for comment by the parties was given through the parties' ability to file comments at all points in the latest proceedings. We also believe that we were consistent with the present statutory authority governing the IRP process, South Carolina Code Ann. Sections 58-37-10 through 58-37-40 (Supp. 1997).

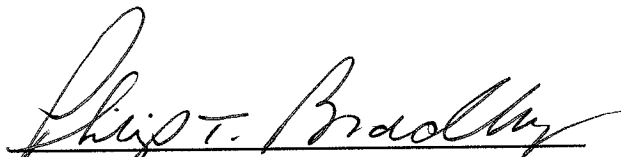
Nucor also states its belief that the reasons given for modifying the IRP procedures do not support the changes made and are not supported by substantial evidence in the record. We disagree and hold that this allegation of the Petition is also without merit. We would note that our Order was based on a record with extensive comments of all the parties in this case, and that some of the comments support the conclusions stated in our Order. See Duke Power's Response to the Slater Consulting and Hayet Power Systems Consulting Report at 11-12.

Finally, Nucor states as a fall-back position, that if the Commission is going to change the IRP Guidelines anyway, that Nucor's revised general guidelines should be

used. We note that Nucor had the opportunity to propose guidelines for our consideration as part of our procedures in this case before now. We find that it is inappropriate to file such revised general guidelines at this late date in the case. We believe that the filing guidelines set up by us are supported by the statutory law as stated above.

In conclusion, we hold that the Petition as filed by Nucor is without merit, and must therefore be denied. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Acting Executive Director

(SEAL)